

STATE OF TENNESSEE
ECONOMIC CHARACTERISTICS*

TENNESSEE'S ECONOMIC GROWTH

The economic future for Tennessee remains bright. Characteristics of the state which have been identified as important reasons why firms have chosen Tennessee sites include work-force related factors such as worker productivity, right-to-work laws and low unionization, as well as access to markets and pro-business attitude of the state. Other factors include relatively inexpensive energy, plentiful natural resources and sun-belt location. Tennessee's gross state product as a percentage of gross domestic product increased from 1.68% in 1989 to 1.86% in 1998, and personal income was 1.67% in 1989 and 1.79% in 1998.

(Expressed in Millions)

<u>YEAR</u>	<u>GROSS STATE PRODUCT</u>	<u>PERSONAL INCOME</u>	<u>DISPOSABLE PERSONAL INCOME</u>
1989	\$ 91,646	\$ 79,944	\$ 65,749
1990	94,206	79,762	70,020
1991	100,494	83,961	73,635
1992	109,047	91,504	79,822
1993	116,658	97,273	84,185
1994	127,852	103,615	89,756
1995	134,873	110,562	95,160
1996	140,750	115,745	103,420
1997	149,499	122,136	121,934
1998	157,543 (EST)	127,424 (EST)	127,942 (EST)

TENNESSEE GROSS STATE PRODUCT BY SECTOR

(Expressed in Millions)

	<u>1988</u>	<u>1993</u>	<u>1998 (EST)</u>	<u>SECTOR AS PERCENTAGE OF 1998 TOTAL</u>
MANUFACTURING	\$21,562	\$28,861	\$34,339	21.8%
CONSTRUCTION	3,704	4,229	6,151	3.9%
MINING	428	351	408	0.3%
TRADE	15,631	21,152	28,086	17.8%
SERVICES	14,157	22,351	33,223	21.1%
FINANCE, INSURANCE AND REAL ESTATE	11,291	15,260	22,391	14.2%
TRANSPORTATION, COMMUNICATION AND PUBLIC UTILITIES	7,290	9,566	12,450	7.9%
FEDERAL GOVERNMENT	4,384	3,857	5,217	3.3%
STATE & LOCAL GOVERNMENT	7,179	9,576	13,267	8.4%
AGRICULTURE	1,287	1,455	2,011	1.3%
TOTAL GROSS STATE PRODUCT	<u>\$86,913</u>	<u>\$116,658</u>	<u>\$157,543</u>	<u>100.0%</u>

* Except as otherwise noted, the source for all economic information presented is An Economic Report to the Governor of the State of Tennessee on the State's Economic Outlook 1999 developed by the Center for Business and Economic Research, College of Business Administration, The University of Tennessee, Knoxville. The source for disposable income is the magazine "Survey of Current Business."

TENNESSEE AVERAGE ANNUAL WAGE BY SECTOR

	<u>1988</u>	<u>1993</u>	<u>1998 (EST)</u>	<u>PERCENTAGE CHANGE (From 1988 to 1998)</u>
MANUFACTURING	\$22,289	\$27,708	\$33,263	49.2%
CONSTRUCTION	21,602	25,700	31,908	47.7%
MINING	27,057	32,242	47,785	76.6%
TRADE	15,114	18,170	21,960	45.3%
SERVICES	18,743	22,812	27,456	46.5%
FINANCE, INSURANCE AND REAL ESTATE	23,476	30,197	38,521	64.1%
TRANSPORTATION, COMMUNICATION AND PUBLIC UTILITIES	27,070	31,164	36,902	36.3%
FEDERAL GOVERNMENT	30,554	38,270	44,242	44.8%
STATE & LOCAL GOVERNMENT	18,558	21,148	24,689	33.0%
AGRICULTURE	7,882	9,557	10,946	38.9%
AVERAGE ALL SECTORS	\$21,235	\$25,697	\$31,767	49.6%

TENNESSEE EMPLOYMENT BY SECTOR

(Expressed in Thousands)

	<u>1988</u>	<u>1993</u>	<u>1998 (EST)</u>	<u>PERCENTAGE CHANGE (From 1988 to 1998)</u>
MANUFACTURING	511.9	528.4	513.4	0.3%
CONSTRUCTION	96.7	94.3	120.5	24.6%
MINING	6.6	4.7	4.5	-31.8%
TRADE	495.6	535.9	622.6	25.6%
SERVICES	440.3	572.4	701.4	59.3%
FINANCE, INSURANCE AND REAL ESTATE	103.2	104.1	123.3	19.5%
TRANSPORTATION, COMMUNICATION AND PUBLIC UTILITIES	109.2	126.8	152.5	39.7%
FEDERAL GOVERNMENT	64.5	55.7	50.6	-21.6%
STATE & LOCAL GOVERNMENT	263.9	306.3	338.2	28.2%
AGRICULTURE	13.2	12.7	11.3	-14.4%
TOTAL ALL SECTORS	<u>2,105.1</u>	<u>2,341.3</u>	<u>2,638.3</u>	25.3%

MANUFACTURING

Manufacturing investment in Tennessee totaled \$3.3 billion in 1998, marking the sixteenth consecutive billion dollar year for the state. The combined new plant and expansion projects announced are expected to create 23,103 new job opportunities. The tables which follow indicate the state's manufacturing gross product, employment and industrial expansion.

TENNESSEE MANUFACTURING GROSS PRODUCT

(Expressed in Millions)

	1988	1993	1998 (EST)	PERCENTAGE CHANGE (FROM 1988 TO 1998)
DURABLES:				
FURNITURE & FIXTURES	\$ 683	\$ 900	\$ 1,067	56.2%
FABRICATED METALS	1,798	2,522	2,995	66.6%
NONELECTRICAL MACHINERY	1,829	2,356	3,284	79.6%
ELECTRICAL MACHINERY	1,465	1,726	2,005	36.9%
TRANSPORTATION EQUIPMENT	1,860	3,795	4,938	165.5%
OTHER	3,168	3,834	5,134	62.1%
TOTAL DURABLE	10,803	15,133	19,423	79.8%
NONDURABLE:				
FOOD	2,264	2,791	3,562	57.3%
TEXTILES	557	703	559	0.4%
APPAREL	1,205	1,446	848	-29.6%
PAPER	1,403	1,464	1,460	4.1%
PRINTING & PUBLISHING	1,204	1,479	1,860	54.5%
CHEMICALS	2,458	3,694	4,183	70.2%
RUBBER & PLASTICS	1,148	1,600	1,976	72.1%
OTHER	520	551	468	-10.0%
TOTAL NONDURABLE	10,759	13,728	14,916	38.6%
TOTALS	\$ 21,562	\$ 28,861	\$ 34,339	59.3%

TENNESSEE MANUFACTURING EMPLOYMENT

(Expressed in Thousands)

	1988	1993	1998 (EST)	PERCENTAGE CHANGE (FROM 1988 TO 1998)
DURABLES:				
FURNITURE & FIXTURES	26.0	28.9	26.7	2.7%
FABRICATED METALS	42.2	44.2	43.6	3.3%
NONELECTRICAL MACHINERY	37.1	38.8	46.8	26.1%
ELECTRICAL MACHINERY	38.4	37.4	39.5	2.9%
TRANSPORTATION EQUIPMENT	36.0	48.0	54.1	50.3%
OTHER	74.5	72.2	79.1	6.2%
TOTAL DURABLE	254.2	269.5	289.8	14.0%
NONDURABLE:				
FOOD	39.2	37.4	37.3	-4.8%
TEXTILES	23.1	21.9	17.1	-26.0%
APPAREL	65.1	59.7	33.4	-48.7%
PAPER	19.7	22.7	21.7	10.2%
PRINTING & PUBLISHING	35.4	37.1	39.3	11.0%
CHEMICALS	38.5	38.9	34.8	-9.6%
RUBBER & PLASTICS	25.5	30.9	34.6	35.7%
OTHER	11.2	10.3	5.4	-51.8%
TOTAL NONDURABLE	257.7	258.9	223.6	-13.2%
TOTALS	511.9	528.4	513.4	0.3%

INDUSTRIAL GROWTH IN TENNESSEE

NEW PLANTS AND EXPANSIONS

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
NUMBER:										
NEW	92	80	76	72	60	81	80	105	80	63
EXPANSIONS	797	788	424	957	1,013	886	864	703	961	1,290
	889	868	500	1,029	1,073	967	944	808	1,041	1,353
INVESTMENT										
(In Thousands):										
NEW	\$898,084	\$661,359	\$578,596	\$210,362	\$178,234	\$694,517	\$1,005,577	\$571,098	\$463,844	\$270,164
EXPANSION	2,307,740	1,136,002	827,082	1,917,229	1,875,672	1,787,295	2,254,233	3,232,541	2,400,932	3,035,618
	\$3,205,824	\$1,797,361	\$1,405,678	\$2,127,591	\$2,053,906	\$2,481,812	\$3,259,810	\$3,803,639	\$2,864,776	\$3,305,782
JOB OPPORTUNITIES:										
NEW	7,753	7,171	4,831	4,534	5,515	9,538	4,862	8,588	4,904	3,310
EXPANSIONS	20,759	12,457	10,880	20,030	18,306	16,779	12,485	14,321	14,639	19,793
	28,512	19,628	15,711	24,564	23,821	26,317	17,347	22,909	19,543	23,103

TOP FIFTY TENNESSEE COMPANIES

(Ranked by Number of Employees in Tennessee)

COMPANY	NUMBER OF EMPLOYEES	COMPANY	NUMBER OF EMPLOYEES
1. FEDERAL EXPRESS CORPORATION	25,126	26. TRW	3,188
2. TENNESSEE EASTMAN COMPANY	17,500	27. COVENANT TRANSPORT	3,065
3. MARTIN MARIETTA CORPORATION	16,760	28. JOHNSON CONTROLS	3,015
4. KROGER	11,000	29. CRACKER BARREL OLD COUNTRY STORE, INC.	3,010
5. OPRYLAND USA/GAYLORD ENTERTAINMENT CO.	9,000	30. MALONE & HYDE	3,009
6. GENERAL MOTORS CORPORATION-SATURN	7,889	31. GOODYEAR TIRE & RUBBER COMPANY	3,000
7. SOUTH CENTRAL BELL	6,500	32. SUNTRUST BANK	2,985
8. NISSAN	6,000	33. PROVIDENT	2,976
9. K-MART CORPORATION	5,700	34. MCKEE BAKING COMPANY	2,922
10. UNITED PARCEL SERVICE	5,500	35. TEXTRON	2,910
11. GENESCO	5,408	36. ALLIED SIGNAL	2,831
12. MASCO	5,337	37. MAGNETEK	2,791
13. LEVI STRAUSS & COMPANY	5,010	38. DANA CORP.	2,765
14. INTER CITY PRODUCTS CORPORATION, USA	5,000	39. ANCHOR ADVANCE PRODUCTS	2,750
15. COLUMBIA/HCA HEALTHCARE CORPORATION	4,805	40. REGIONAL MEDICAL CENTER AT MEMPHIS	2,700
16. METHODIST HEALTH SYSTEMS, INC.	4,500	41. KRYSTAL	2,695
17. TOMPKINS	4,416	42. STATE INDUSTRIES	2,672
18. QUEBECOR CORPORATION	4,256	43. GANNETT COMPANY	2,559
19. SHONEY'S	4,125	44. MAYTAG CORPORATION	2,550
20. FIRST TENNESSEE BANK	3,800	45. B B & T MANAGEMENT	2,462
21. PHILIPS CONSUMER ELECTRONICS COMPANY	3,650	46. BRIDGESTONE CORPORATION	2,445
22. FIRST AMERICAN NATIONAL BANK	3,464	47. COCA-COLA, INC.	2,406
23. HENRY I. SIEGEL COMPANY	3,401	48. ALLIED CLINICAL LABORATORIES	2,400
24. SERVICE MERCHANDISE	3,350	49. DEROYAL INDUSTRIES, INC.	2,245
25. DUPONT	3,210	50. UNITED TECHNOLOGIES CORPORATION	2,215

SOURCES: Tennessee Department of Economic and Community Development and DUN & BRADSTREET BUSINESS RANKINGS 1997.

AGRICULTURE

Important export commodities such as soybeans, tobacco, feed grains, cotton, and greenhouse and nursery products are among the top income earners for Tennessee farmers.

CASH RECEIPTS

(Expressed in Millions)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998(EST)
CROPS	\$863.3	\$946.3	\$901.7	\$1,092.0	\$1,063.9	\$1,199.9	\$1,227.8	\$1,374.1	\$1,245.2	\$1,177.1
MEAT ANIMALS	605.7	594.8	586.4	542.5	482.3	498.4	420.2	463.0	485.4	436.2
DAIRY PRODUCTS	267.1	281.1	239.1	260.8	250.2	247.4	239.4	253.6	225.6	236.9
POULTRY AND EGGS	167.6	147.6	159.8	166.2	199.8	197.0	203.4	251.7	256.8	306.1
	<u>\$1,903.7</u>	<u>\$1,969.8</u>	<u>\$1,887.0</u>	<u>\$2,061.5</u>	<u>\$1,996.2</u>	<u>\$2,142.7</u>	<u>\$2,090.8</u>	<u>\$2,342.4</u>	<u>\$2,213.0</u>	<u>\$2,156.3</u>

POPULATION AND EMPLOYMENT TREND

The state's population has grown steadily in recent history by over one-half of 1% per year.

(Expressed in Thousands except Unemployment Rates)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998(EST)
POPULATION	4,854	4,891	4,951	5,020	5,094	5,176	5,256	5,327	5,398	5,470
AVERAGE LABOR FORCE	2,368	2,387	2,421	2,455	2,500	2,663	2,712	2,759	2,708	2,760
AVERAGE TOTAL EMPLOYMENT	2,247	2,261	2,258	2,298	2,357	2,536	2,571	2,623	2,562	2,644
AVERAGE UNEMPLOYMENT	121	126	163	158	144	127	141	136	146	116
TN UNEMPLOYMENT RATE	5.1%	5.3%	6.7%	6.4%	5.7%	4.8%	5.2%	4.9%	5.4%	4.2%
U.S. UNEMPLOYMENT RATE	5.3%	5.6%	6.8%	7.5%	6.9%	6.1%	5.6%	5.4%	4.9%	4.5%

BANK DEPOSITS, SALES AND EFFECTIVE BUYING INCOME

(Expressed in Millions)

(Expressed
in Thousands)

YEAR	BANK DEPOSITS	SALES	EFFECTIVE BUYING INCOME MEDIAN HOUSEHOLD
1989	\$38,196	\$40,438	\$22.2
1990	39,872	41,991	23.6
1991	41,339	42,650	27.0
1992	44,105	45,473	28.5
1993	46,596	49,112	30.1
1994	48,531	53,778	31.8
1995	52,321	57,943	29.1
1996	57,219	60,636	39.4
1997	54,302	66,079	31.5
1998	76,542	66,222	32.0

NEW PRIVATELY OWNED HOUSING UNITS AUTHORIZED IN PERMIT-ISSUING PLACES VALUATION OF BUILDING PERMIT ISSUED

(Expressed in Thousands)

YEAR	VALUATION	YEAR	VALUATION
1989	\$1,450,794	1994	\$2,538,773
1990	1,317,082	1995	2,838,290
1991	1,358,758	1996	3,334,419
1992	1,779,702	1997	3,103,939
1993	2,171,097	1998	3,613,835

SOURCE: The Tennessee Econometric Model, Tennessee Department of Employment Security Labor Summary, Sales and Marketing Management, U.S. Bureau of the Census, Construction Reports, Tennessee Agricultural Statistics service Cash Receipts Estimates, and Tennessee Department of Financial Institutions Annual Report.

POPULATION, TAX BASE AND PERSONAL INCOME

(Expressed in Thousands)

<u>YEAR</u>	<u>POPULATION</u>	<u>ASSESSED VALUE</u>	<u>APPRAISED/ ESTIMATED CURRENT VALUE</u>	<u>PERSONAL INCOME</u>	<u>PER CAPIT. INCOME</u>
1989	4,854	36,511,000	144,957,000	74,944,000	15.4
1990	4,891	38,312,000	150,701,000	79,762,000	16.3
1991	4,951	43,109,000	161,366,000	83,961,000	17.0
1992	5,020	44,672,000	162,609,000	91,504,000	18.2
1993	5,094	49,593,000	170,264,000	97,273,000	19.1
1994	5,176	51,686,000	176,895,000	103,615,000	20.0
1995	5,256	53,915,000	191,993,000	110,562,000	21.0
1996	5,327	56,072,000	207,352,000	115,745,000	21.7
1997	5,398	56,494,000	225,320,000	122,136,000	22.6
1998	5,470	71,292,000 (EST)	249,897,000 (EST)	127,424,000 (EST)	23.3

PUBLIC SCHOOL ENROLLMENT GRADES K-12

<u>ACADEMIC YEAR</u>	<u>GRADES K-3</u>	<u>GRADES 4-6</u>	<u>GRADES 7-9</u>	<u>GRADES 10-12</u>	<u>TOTAL K-12</u>
1989-90	276,891	196,308	197,306	170,340	840,845
1990-91	283,395	203,861	203,560	171,040	861,856
1991-92	285,071	207,836	208,853	170,553	872,313
1992-93	287,687	210,294	213,561	174,909	886,451
1993-94	294,876	212,082	219,896	177,743	904,597
1994-95	300,440	213,703	222,982	179,552	916,677
1995-96	308,006	215,579	225,154	180,969	929,708
1996-97	316,094	217,823	226,287	183,852	944,056
1997-98	320,784	221,651	227,097	187,172	956,704
1998-99	314,781	221,913	226,859	187,313	950,866

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
UNIVERSITIES:										
AUTSTIN PEAY STATE	4,630	4,629	5,440	5,709	5,992	5,740	5,763	6,072	5,968	5,816
EAST TENNESSEE STATE	9,292	9,454	9,782	9,667	9,321	9,312	9,355	9,450	9,549	9,792
MIDDLE TENNESSEE STATE	12,151	12,751	13,346	14,239	14,629	14,226	14,504	14,916	15,455	15,655
TENNESSEE STATE	5,805	5,690	5,802	5,957	6,110	6,438	6,787	7,007	7,168	7,383
TENNESSEE TECHNOLOGICAL	7,080	7,297	7,071	7,473	7,472	7,353	7,303	7,230	7,287	7,112
UNIVERISTY OF MEMPHIS**	15,532	15,610	15,421	15,254	15,317	15,177	15,495	15,001	15,452	15,771
UNIVERSITY OF TENNESSEE:										
CHATTANOOGA	5,850	6,000	6,216	6,375	6,515	6,438	6,540	6,608	6,816	7,040
KNOXVILLE	21,025	21,544	21,793	22,065	21,696	21,575	21,454	21,528	21,819	22,476
MARTIN	4,744	5,055	5,210	5,333	5,313	5,308	5,497	5,376	5,607	5,480
TOTAL UNIVERSITIES	86,109	88,030	90,081	92,072	92,365	91,567	92,698	93,188	95,121	96,525
COMMUNITY COLLEGES:										
CHATTANOOGA STATE TECH	4,243	4,660	5,107	5,369	5,214	5,144	4,982	5,427	5,227	5,140
CLEVELAND STATE	1,860	2,052	2,137	2,234	2,151	1,929	2,204	2,111	2,376	2,176
COLUMBIA STATE	1,821	2,045	2,177	2,361	2,255	2,331	2,501	2,639	2,820	2,947
DYERSBURG STATE	1,114	1,230	1,357	1,289	1,357	1,380	1,373	1,531	1,533	1,522
JACKSON STATE	1,850	2,035	2,159	2,188	2,143	2,088	2,155	2,223	2,328	2,416
MOTLOW STATE	1,574	1,794	2,013	2,150	2,117	2,133	2,077	2,116	2,287	2,273
NORTHEAST STATE TECH	*	1,804	2,058	2,222	2,288	2,372	2,314	2,459	2,422	2,513
PELLISSIPPI STATE TECH	3,145	4,022	4,818	5,098	4,941	4,866	4,768	5,003	5,217	5,258
ROANE STATE	3,044	3,376	3,589	3,848	3,713	3,614	3,591	3,688	3,720	3,675
SHELBY STATE	2,845	2,946	4,068	4,482	4,567	4,189	3,998	3,740	3,193	2,887
VOLUNTEER STATE	2,246	2,585	3,046	3,369	3,611	3,783	3,904	4,129	4,236	4,198
WALTERS STATE	2,636	2,934	3,357	3,542	3,520	3,602	3,507	3,731	3,807	3,666
TOTAL COMMUNITY COLLEGES	26,378	31,483	35,886	38,152	37,877	37,431	37,374	38,797	39,166	38,671
TOTAL ALL INSTITUTIONS	112,487	119,513	125,967	130,224	130,242	128,998	130,072	131,985	134,287	135,196

* Effective July 1, 1990 Tri-City State Technical Institute became Northeast State Community College.

** Effective July 1, 1994 Memphis State University became University of Memphis.

SOURCES: The Tennessee Econometric Model, State Board of Equalization, Tennessee Department of Education and the Higher Education Commission.